

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF FARMERS)	CASE NO. 96-530
RURAL ELECTRIC COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1994 TO OCTOBER 31, 1996)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 14, 1996 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Farmers Rural Electric Cooperative Corporation ("Farmers") for the two years ended October 31, 1996.

As part of this review, the Commission ordered Farmers to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Farmers has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Farmers has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Farmers, has been authorized to transfer (roll-in) a 0.23 mills per Kwh decrease in its base fuel cost to its base rates.¹

3. Farmers should be authorized to transfer (roll-in) a 0.25 mills per Kwh decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.23 mills per Kwh decrease in EKPC's base rates. This transfer can best be accomplished by a negative energy adder to each Kwh sold.

4. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Farmers through the FAC for the period November 1, 1994 to October 31, 1996 are approved.

2. Farmers is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its FAC to its base rates.

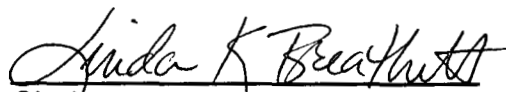
3. The rates in Appendix A are approved for service rendered by Farmers on and after September 1, 1997.


4. Within 30 days of the date of this Order, Farmers shall file with the Commission revised tariff sheets setting out the rates approved herein.

¹ Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996.

Done at Frankfort, Kentucky, this 20th day of August, 1997.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-530 DATED AUGUST 20, 1997

The following rates and charges are prescribed for the customers in the area served by Farmers Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE R RESIDENTIAL SERVICE

Rate:

First	50 KWH	\$.13109 Per KWH
Remaining	KWH	.05300 Per KWH

SCHEDULE C-1 COMMERCIAL AND INDUSTRIAL SERVICE (LESS THAN 50 KW)

Rate:

For all consumers whose kilowatt demand is less than 50 KW.

First	50 KWH	\$.13109 Per KWH
Remaining	KWH	.05617 Per KWH

SCHEDULE C-2 COMMERCIAL AND INDUSTRIAL SERVICE (50 KW OR ABOVE)

Energy Charge:

All KWH	\$.04082 Per KWH
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SCHEDULE D LARGE COMMERCIAL/INDUSTRIAL SERVICE OPTIONAL TIME-OF-DAY RATE

Rate:

All KWH	\$.04082 Per KWH
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SCHEDULE RM
RESIDENTIAL OFF-PEAK MARKETING

Rate:

All KWH

\$.03180 Per KWH

SCHEDULE CM
SMALL COMMERCIAL OFF-PEAK MARKETING

Rate:

All KWH

\$.03370 Per KWH

SCHEDULE OL
OUTDOOR LIGHTING SERVICE

Rate Per Fixture:

<u>Type of Lamp</u>	<u>Watts</u>	<u>Monthly Charge Per Lamp</u>
Mercury Vapor	175	\$ 5.78
Mercury Vapor	250	6.32
Mercury Vapor	400	9.48
Mercury Vapor	1000	15.03
Sodium Vapor	100	6.50
Sodium Vapor	150	7.34
Sodium Vapor	250	9.65
Sodium Vapor	400	11.96
Sodium Vapor	1000	25.44

SCHEDULE SL
STREET LIGHTING

Rate:

Per KWH Per Month as Determined in
Table I for Each Lamp

\$.03039

SCHEDULE E
LARGE COMMERCIAL

Rate:

All KWH

\$.02697 Per KWH